

AMENDED IN SENATE AUGUST 16, 2016

AMENDED IN SENATE JUNE 29, 2016

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AMENDED IN ASSEMBLY MARCH 30, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 2506**

**Introduced by Assembly Member Thurmond  
(Coauthor: Assembly Member Gonzalez)**

February 19, 2016

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An act to add Section 69518.5 to the Education Code, relating to student financial aid.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2506, as amended, Thurmond. Student financial aid: Chafee grant awards.

Existing law establishes the Student Aid Commission as the state agency primarily responsible for the administration and coordination of student financial aid programs at California postsecondary educational institutions. Existing federal law establishes the Chafee Educational and Training Voucher program for the purposes of providing financial aid to current and former foster youth who are attending qualifying postsecondary educational institutions.

This bill would, to the extent permitted by federal law, establish the standards to be met by postsecondary educational ~~institutions~~ *institutions, commencing with the 2017–18 academic year*, in order to be deemed to be qualifying institutions in this state with respect to the Chafee Educational and Training Voucher program. ~~The bill would~~

~~provide that, commencing with the 2017–18 academic year, a current or former foster youth is entitled to a Chafee grant award, and would require the commission to allocate that grant award, if the student meets specified criteria.~~

The bill would express the intent of the Legislature that the memorandum of understanding entered into between the State Department of Social Services and the Student Aid Commission for the administration of the Chafee Educational and Training Voucher program be amended to reflect the provisions of this bill. The bill would provide that, notwithstanding any of its other provisions, an individual who has received a Chafee grant award for the 2016–17 academic year, and is enrolled at a postsecondary educational institution in this state, would be entitled to use a Chafee grant award for as long as he or she is enrolled at that institution and is making reasonable progress toward graduation or toward otherwise completing his or her course of study at that institution.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) There are 66,000 children and youth in California’s foster
- 4 care system who have been removed from their biological families
- 5 due to maltreatment and placed into the care and custody of the
- 6 State of California.
- 7 (b) (1) The Legislature recognizes the historic
- 8 underrepresentation of foster youth in postsecondary programs
- 9 and the need for equitable efforts that enhance the enrollment and
- 10 retention of foster youth in public colleges and universities in
- 11 California.
- 12 (2) Current and former foster youth who attend college
- 13 experience a low rate of persistence, transfer, and degree
- 14 completion. Foster youth are 85 percent less likely to successfully
- 15 complete 30 units or more anytime during community college as
- 16 compared to the general student population.
- 17 ~~(3) Receipt of financial aid plays an important role in~~
- 18 ~~persistence, transfer, and degree completion. Fifty percent of foster~~
- 19 ~~youth who receive the Chafee Educational and Training Voucher~~

1 ~~complete three semesters or more of community college, as~~  
2 ~~compared with 34 percent of foster youth who do not receive the~~  
3 ~~Chafee Educational and Training Voucher.~~

4 ~~(4) Access to the Chafee Educational and Training Voucher is~~  
5 ~~limited. One in four eligible applicants is not awarded a grant due~~  
6 ~~to limited funding. Without improved access to financial aid, foster~~  
7 ~~youth experience low educational attainment.~~

8 ~~(5) Low educational attainment is a factor in the poor adult~~  
9 ~~outcomes experienced by youth in foster care. Compared to their~~  
10 ~~same-age counterparts, former foster youth at 26 years of age are~~  
11 ~~400 percent more likely to have been incarcerated and 300 percent~~  
12 ~~more likely to be living below the federal poverty level.~~

13 ~~(e) The Legislature recognizes its responsibility to provide and~~  
14 ~~adequately fund postsecondary programs and services for students~~  
15 ~~who are current and former foster youth attending public~~  
16 ~~postsecondary institutions.~~

17 ~~(d)~~

18 ~~(c) The Legislature recognizes the importance of quality~~  
19 ~~education, and has taken action in the past to ensure financial aid~~  
20 ~~is directed to postsecondary institutions at which the graduation~~  
21 ~~rate and cohort default rate reflect a reasonable likelihood of~~  
22 ~~student graduation and success.~~

23 ~~(e) Therefore, it is necessary and appropriate to take steps to~~  
24 ~~encourage the enrollment, retention, and transfer of current and~~  
25 ~~former foster youth in California's public colleges and universities~~  
26 ~~by ensuring that all foster youth who meet the eligibility criteria~~  
27 ~~for the Chafee Educational and Training Voucher receive a grant.~~  
28 ~~Providing academic support to current and former foster youth in~~  
29 ~~the California Community Colleges serves a significant~~  
30 ~~governmental and public interest, namely the reduction in poverty~~  
31 ~~and criminal justice involvement among youth who have been in~~  
32 ~~foster care in California.~~

33 SEC. 2. Section 69518.5 is added to the Education Code, to  
34 read:

35 69518.5. (a) To the extent permitted by federal law, this section  
36 establishes the standards for postsecondary educational institutions  
37 to be classified as qualifying institutions in this state for purposes  
38 of the Chafee Educational and Training Voucher program  
39 authorized by the federal Promoting Safe and Stable Families  
40 Amendments of 2001 (Public Law 107-133).

~~(b) The commission shall certify by October 1 of each year a postsecondary educational institution's latest three-year cohort default rate and graduation rate as most recently reported by the United States Department of Education.~~

~~(e)~~

(b) In accordance with subdivision (a), *for purposes of the 2017–18 academic year and each academic year thereafter*, the following standards shall apply in determining an institution's eligibility for the use of initial and renewal Chafee grant awards by its students:

(1) An otherwise qualifying institution with a three-year cohort default rate that is equal to or greater than 15.5 percent, as certified by the commission on October 1, 2017, and on October 1 of any year thereafter, shall be ineligible for the use of initial and renewal Chafee grant awards at the institution.

(2) (A) An otherwise qualifying institution that becomes ineligible under this ~~paragraph~~ *subdivision* for initial and renewal Chafee grant awards may regain its eligibility for the academic year following an academic year in which it satisfies the requirements established in paragraph (1) or (4), as applicable.

(B) If the United States Department of Education corrects or revises an institution's three-year cohort default rate or graduation rate that originally failed to satisfy the requirements established in paragraph (1) or (4), as applicable, and the correction or revision results in the institution's three-year cohort default rate or graduation rate satisfying those requirements, that institution shall immediately regain its eligibility for the academic year to which the corrected or revised three-year cohort default rate or graduation rate would have been applied.

(3) An otherwise qualifying institution for which no three-year cohort default rate or graduation rate has been reported by the United States Department of Education shall be provisionally eligible for Chafee grant awards until a three-year cohort default rate or graduation rate has been reported for the institution by the United States Department of Education.

~~(4) For purposes of the 2017–18 academic year, and every academic year thereafter, an~~ An otherwise qualifying institution with a graduation rate of 30 percent or less for students taking 150 percent or less of the expected time to complete degree requirements, as reported by the United States Department of

1 Education and as certified by the commission, shall be ineligible  
2 for the use of initial and renewal Chafee grant awards at the  
3 institution.

4 (5) Notwithstanding any other law, the requirements of this  
5 subdivision do not apply to institutions with 40 percent or less of  
6 undergraduate students borrowing federal student loans, using  
7 information reported to the United States Department of Education  
8 for the academic year two years before the year in which the  
9 commission is certifying the three-year cohort default rate or  
10 graduation rate.

11 ~~(6) Notwithstanding any other law, the requirements of this~~  
12 ~~subdivision do not apply to institutions where an eligible Chafee~~  
13 ~~grant recipient is attending an institution outside of California.~~

14 ~~(7) Nothing in this section shall preclude an eligible Chafee~~  
15 ~~grant recipient who chooses to attend an institution outside of~~  
16 ~~California from using Chafee funds at that institution.~~

17 ~~(d)~~

18 (c) The commission shall do ~~all~~ *both* of the following:

19 (1) Notify initial recipients seeking to attend, or attending, an  
20 institution that is ineligible for initial and renewal Chafee grant  
21 awards under paragraph (1) or (4) of subdivision ~~(e)~~ (b) that the  
22 institution is ineligible, under state standards, for the use of initial  
23 awards for the academic year for which the student received an  
24 initial award.

25 (2) Notify renewal recipients attending an institution that is  
26 ineligible, under state standards, for initial and renewal Chafee  
27 grant awards at the institution under paragraph (1) or (4) of  
28 subdivision ~~(e)~~ (b).

29 ~~(3) Provide initial and renewal Chafee grant recipients seeking~~  
30 ~~to attend, or attending, an institution that is ineligible for initial~~  
31 ~~and renewal Chafee grant awards at the institution under paragraph~~  
32 ~~(1) or (4) of subdivision (e) with a complete list of all California~~  
33 ~~postsecondary educational institutions at which the student would~~  
34 ~~be eligible, under state standards, to receive an unreduced Chafee~~  
35 ~~grant award.~~

36 ~~(e) Commencing with the 2017–18 academic year, a current or~~  
37 ~~former foster youth is entitled to a Chafee grant award, and the~~  
38 ~~commission shall allocate that award, pursuant to the requirements~~  
39 ~~of this section, if that current or former foster youth meets both of~~  
40 ~~the following criteria:~~

1     ~~(1) He or she meets the Chafee grant requirements as set forth~~  
2     ~~in the John H. Chafee Foster Care Independence Program (42~~  
3     ~~U.S.C. Sec. 677(i)).~~

4     ~~(2) He or she submits a Free Application for Federal Student~~  
5     ~~Aid and a Chafee grant application between January 1 and~~  
6     ~~September 2 of each calendar year for the academic year beginning~~  
7     ~~in the fall of that calendar year.~~

8     ~~(f) The amount of any individual Chafee grant award shall~~  
9     ~~depend on the cost of attendance at the qualifying institution at~~  
10    ~~which the student is enrolled. For each applicant, the award amount~~  
11    ~~shall not exceed the amount of the calculated financial need.~~

12    ~~(g)~~

13    ~~(d) It is the intent of the Legislature that the memorandum of~~  
14    ~~understanding entered into between the State Department of Social~~  
15    ~~Services and the Student Aid Commission for the administration~~  
16    ~~of the Chafee Educational and Training Voucher program be~~  
17    ~~amended to reflect the provisions of this section.~~

18    ~~(h)~~

19    ~~(e) Notwithstanding any other provision of this section, an~~  
20    ~~individual who has (1) received a Chafee grant award for the~~  
21    ~~2016–17 academic year, and (2) is enrolled at a postsecondary~~  
22    ~~educational institution in this state, shall be entitled to use a Chafee~~  
23    ~~grant award for as long as he or she is enrolled at that institution~~  
24    ~~and is making reasonable progress toward graduation or toward~~  
25    ~~otherwise completing his or her course of study at that institution.~~